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S E C R E T SECTION 01 OF 02 KUALA LUMPUR 001812

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DEPT FOR EAP

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TAGS: [PREL](#) [PINS](#) [PTER](#) [MOPS](#) [EAID](#) [RP](#) [MY](#)

SUBJECT: MALAYSIA SEES "DEADLOCK" IN GRP/MILF PEACE PROCESS

REF: KUALA LUMPUR 1525

Classified By: DCM David B. Shear for reasons 1.4 (b and d).

Summary

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¶1. (S) Malaysia's Othman Abdul Razak, facilitator for the Philippines Government (GRP)/Moro Islamic Liberation Front (MILF) peace process, told Polcouns September 26 that the talks had "deadlocked." The previous round in early September had gone nowhere because GRP negotiators had failed to demonstrate flexibility on the issue of territory. Manila's requirements for legislative approval of a final agreement constituted a second stumbling block for the future. Othman understood that the new offer being prepared in Manila also would be a non-starter and questioned the wisdom of holding another round of talks on this basis. He commented that GRP approaches to individual commanders had not been successful but had damaged MILF confidence in the peace process. Manila appeared to believe time was on the GRP's side and a "no peace, no war" situation remained acceptable, but MILF leaders could not keep hardliners in check indefinitely. Othman called for creative solutions and greater political will from President Arroyo, while also describing her domestic political position as weak. Othman expressed his hope that international and U.S. pressure might influence the GRP position. Compared with his views in early August, Othman's outlook on the peace process was far more negative and more partisan in favor of the MILF negotiating position. End Summary.

The Failed September 6-7 Round

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¶2. (S) Polcouns called on Othman September 26 to gain his views on the 13th round of talks, held September 6-7 in Kuala Lumpur, and the prospects for a future round. Othman, who had just returned from extended overseas travel (including Bosnia), described the 13th round as a failure. The talks had "deadlocked" as the GRP had presented no compromise that would help resolve the issues surrounding the territorial boundaries of the prospective MILF entity on Mindanao, including the territorial contiguity for the Moro-administered area. Given that the MILF had agreed to give up its goal of independence as part of a peace deal, and that the Moro-administered areas would remain part of the Republic of the Philippines, Othman judged Manila's position to be unreasonable. Othman added that the GRP position that the future agreement be subject to legislative passage or referendum constituted a second major stumbling block for the future. While acknowledging that he risked being labeled as partisan at this juncture, he placed the blame for the current "impasse" on the GRP.

13. (S) Polcouns asked about press reports noting that the GRP was preparing a new offer that it would shortly pass to the MILF through the Malaysian Government and raising the possibility of another round of talks in October. Othman stated that his "intelligence sources" had informed him that Manila's new position also would be a non-starter as it lacked meaningful compromise and included reference to a referendum to determine territorial boundaries. He questioned the utility of holding another negotiating round if there were no prospect of progress. Othman implied that he anticipated traveling to Manila soon.

14. (S) Othman raised reported GRP efforts to negotiate separately with individual MILF commanders, approaches now privately acknowledged by the GRP. Othman stated these approaches did not meet with success in terms of splitting or weakening the MILF. However, they had the negative effect of undermining MILF confidence in the integrity of the peace process.

Status Quo OK for Manila, Not for MILF  
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15. (S) The Malaysian facilitator stated he was under the impression that Manila believed time to be on its side. The current situation of "no peace, no war" remained largely acceptable to the GRP. Mindanao's situation had stabilized to the extent that the Philippines could attract more aid into the region from foreign donors, including the Japanese. Longer-term demographic shifts, produced by new non-Moro settlements, worked in Manila's favor. However, the MILF

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would not sit still for long if there were no prospects for progress in negotiations. Hard-line MILF commanders and ulamas at a certain point would press for action and MILF retained significant weapons stockpiles.

Creativity Needed...  
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16. (S) Othman called for President Arroyo to provide "creative solutions" to reach a negotiated settlement, citing the example of Indonesian Vice President Jusuf Kalla's flexible approach to the Aceh peace talks in 2005. Strict interpretations of constitutional requirements, in which legislative approval and referendums were a part, narrowed the options that the GRP presented. Instead, Arroyo needed to "think outside the box." Third-countries guarantees to the parties might be part of a new approach, Othman speculated.

...and U.S. Pressure  
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17. (S) Othman continued that creative thinking and associated risk-taking required a position of political strength that Arroyo lacked. He doubted GMA would take such risks absent pressure from the international community. Even then, Othman said, Arroyo's domestic political standing might prevent a GRP compromise in the MILF negotiations. Nevertheless, Othman urged the U.S. to exert diplomatic pressure on Manila to offer more compromise on the issue of Moro-administered territory and to consider creative ways forward. Polcouns stated that the U.S. strongly supported a negotiated solution to the GRP-MILF conflict and rejected a return to violence.

18. (S) Othman said Malaysia remained committed to involvement in the International Monitoring Team. At a certain point, however, contributing countries including Malaysia would need to examine the costs and benefits of their deployments. Othman inquired about possible U.S.

assistance to the Bangsamoro leadership and management center, an issue he raised in our previous meeting (reftel).

Comment

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19. (S) Othman, by his own admission, was pessimistic on near-term prospects for the GRP-MILF peace process and more partisan in placing the blame for the current "impasse" on Arroyo's government, a change from his expressed views in early August. However, he did not signal any plan for Malaysia to bow out of its facilitator role. Othman clearly intended his comments to influence U.S. views in support of international pressure on Manila.  
LAFLEUR